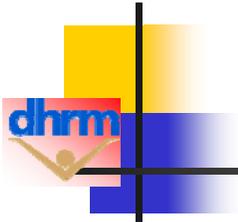


The logo for the Department of Human Resource Management (DHRM) is located on the left side of the slide. It features a blue square above a red square, with the letters 'dhrm' in white lowercase font on the red square. Below the red square is a yellow square. A black vertical line is positioned to the right of the logo, and a black horizontal line extends from the logo across the slide.

Benefits Provided Under the Workforce Transition Act (WTA)

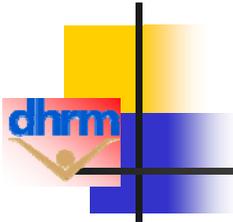
Department of Human Resource Management

House Appropriations Committee
General Assembly Building, Richmond, VA
October 19, 2009



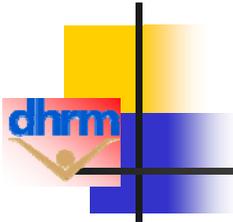
Employees Eligible for WTA Benefits

- Classified
- At-wills
- Faculty
- Legislative staff
- Non-judicial Supreme Court, Court of Appeals
- Independent Agencies employees
 - SCC, WCC, VRS, Lottery



WTA Eligibility Conditions

- Involuntary separation
- Not the result of misconduct or poor performance
- No placement opportunity exists, or placement requires relocation or lower salary
- If grant-funded, the fund source must agree to pay the cost



Benefits Provided Under the WTA

- Benefits include:
 - Severance Pay
 - Health Insurance Coverage for 12 Months
 - Life Insurance Coverage for 12 Months

Years of Service	Weeks of Severance Pay
0-2	4 weeks
3-9	4 weeks plus 1 week per service year over 2
10-14	12 weeks plus 2 weeks per service year over 9
15-18	2 weeks per service year
Over 18	36 weeks



Other Features of WTA

- Benefits paid as normal salary
- Severance pay reduced by unemployment compensation
 - Reductions paid as lump sum with last severance payment
- Payments stop if:
 - Re-employed by the Commonwealth
 - Hired as independent contractor or consultant
- Maximum employment level reduced



Example WTA Benefits

Employee

- *Age* 46 years
- *Service* 11 years
- *Salary* \$40,000
- *Health Plan* Family
- *Action* Layoff

WTA Benefits

- Severance
($\$769.23 \times 18 \text{ weeks}$) = \$13,846.14
- Health Insurance
($\$1,078 \times 12 \text{ months}$) = \$12,936.00
- Life Insurance
($\$27.33 \times 12 \text{ months}$) = \$328.00
- TOTAL WTA Benefits \$27,110.14

Unemployment Insurance

- May be eligible for unemployment insurance
($\$378 \times 26 \text{ weeks}$) = \$9,828.00
- Severance reduced by unemployment insurance
($\$769.23 - \378) = \$391.23
- Severance reductions reimbursed in last payment
($\$378 \times 18 \text{ weeks}$) = \$6,804.00

WTA Enhanced Retirement Option

- Based on total value of severance pay, health insurance and life insurance
- Years added to age or creditable service
- Cost of each year is 15% of salary
- Eligibility criteria
 - Age 50 or above
 - Vested in VRS, SPORS, or VaLORS
 - Ten years or more of creditable service if under age 55
- Eligibility lost if return to a state salaried position



Example Enhanced Retirement Option

Employee

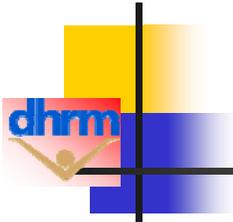
- *Age* 58 years
- *Service* 33 years
- *Salary* \$60,000
- *Health Plan* Dual
- *Action* Layoff

WTA Benefits

- Severance
 (\$1,153.85 X 36 weeks) = \$41,538.60
- Health Insurance
 (\$735 X 12 months) = \$8,820.00
- Life Insurance
 (\$41 X 12 months) = \$492.00
- TOTAL WTA Benefits \$50,850.60

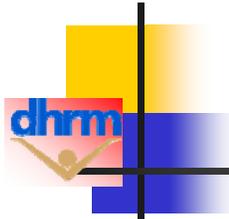
Enhanced Retirement

- May be converted to 6 years of VRS credit
 \$50,850.60
 (\$60,000 X 15%) = 5.65 rounded up
- Increases VRS benefit 18.18%
 (6 / 33) = 18.18%



Effects of WTA Benefits

- Provides a safety net for employees that are laid off
- Limits the ability of agencies to reduce personnel costs quickly
- Encourages savings unrelated to layoffs
- Discourages staff reductions that are not essential
- Deters use of layoffs for disciplinary or performance issues



Summary

Layoff Actions July 2008-September 2009

Action Category	Number July 2008 to June 2009	Number July to September 2009	Total July 2008 to Sept 2009
Total Eligible for WTA	389	294	683
Total Not Eligible for WTA	569	9	578
Total for all Actions	958	303	1,261



Layoff Actions July 2008-September 2009

Action Category	July 2008 to June 2009	July to Sept 2009	Total July 2008 to Sept 2009	WTA Eligible
Transfer in lieu of Layoff	455	3	458	No
Demotion in lieu of Layoff	70	3	73	No
Retire in lieu of Layoff	21	0	21	No
Enhanced Retirement	149	174	323	Yes
Layoff, Severance & Placement	131	2	133	Yes
Layoff, Severance Only	83	103	186	Yes
Separation, Layoff	33	3	36	No
Temporary Workforce Reduction	6	0	6	No
Layoff, Placement Only	5	0	5	No
Layoff, Severance & Retirement	5	0	5	Yes

Agencies with 30+ Actions Layoffs July 2008-September 2009



Agency	Total Actions	Predominant Actions	WTA Eligible
Corrections	514	409 Transfers	26
Transportation	239	140 Enhanced Retirements	238
VSDB-Hampton	95	91 Layoffs	90
Environmental Quality	33	16 Enhanced Retirements	18
DBHDS	66	61 Enhanced Retirements	64
Old Dominion Univ.	31	31 Layoffs	31
Correctional Education	34	28 Layoffs	33
TOTAL	1,012	776	500



Comparison of Actions with 2008 Reduction Plans

- 567 layoffs planned in 37 agencies
- 789 actions reported through June 30, 2009
 - Actions > Plan 12 agencies - 668 actions to 415 planned
 - Actions = Plan 14 agencies - 49 actions to 49 planned
 - Actions < Plan 11 agencies - 72 actions to 103 planned
- 227 employees qualified for WTA benefits



Comparison of Actions with 2009 Reduction Plans

- 593 layoffs planned in 25 agencies
- 133 actions reported through October 6, 2009
 - 29 Enhanced Retirements
 - 78 Separations (Including Leave Without Pay - Layoff)
 - 26 Placed in Other Positions
- 53 Additional Enhanced Retirement Applications Expected



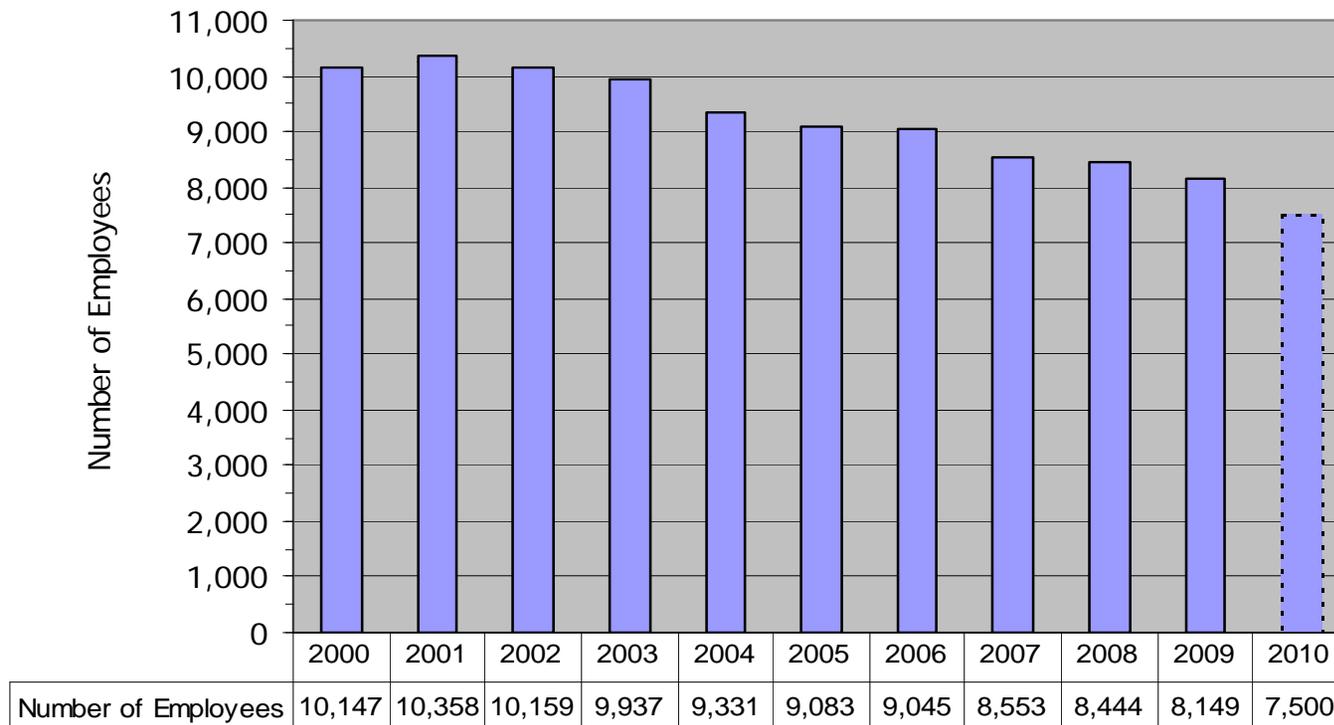
VDOT 2009 - 2010 Reduction Plans

- Stage 1 Completed Spring 2009
 - 450 Wage Employees Affected
- Stage 2 Completion Expected October 2009
 - 525 Classified Employees Affected
- Stage 3 Being Planned
 - Classified Employees Affected
 - Layoff Notices Expected Mid-December 2009
 - Exits Expected in March/April 2010
- On Track for 7/1/2010 Target
 - 7,500 Employees



VDOT Staffing Levels 2000 - 2010

VDOT Full-Time Equivalent Employees
as of June 30th



Source: DHRM Employment Position Reports